

IN THE SPECIFICATION:

Please replace paragraph number [0005] with the following rewritten paragraph:

[0005] Fixed odds wagering, whether among individuals directly or through an intermediary, offers game participants the advantage of knowing, at the time they place their wager, what payout they will receive if they placed their wager on a winning outcome of the event. The potential payout is not subject to change between the time that the wager is placed, or the proposition is accepted, and the outcome of the event is determined. This affords game participants a level of predictability that many desire. However, ~~as with~~ with fixed odds wagering there is a risk of having too many winning wagers placed on a given event which would require the intermediary to pay out an amount in excess of that which was taken ~~in, in;~~ the individual or intermediary who sets the propositions always has a stake in the outcome of the event. Thus, game participants are limited on the wagers they may place on an event by the propositions which another wagering party is willing to set.

Please replace paragraph number [0007] with the following rewritten paragraph:

[0007] Final prices (*i.e.*, the end value that a game participant receives for ~~a their~~ his or her wager, typically stated as per the minimum acceptable wager amount) for pari-mutuel wagering pools are typically calculated by totaling the wagering pool, subtracting the percentage retained by the gaming establishment, and apportioning the remaining amount to all game participants who wagered on the winning outcome of the event (*i.e.*, winning game participants) in proportion to the amount of their individual wagers. Each game participant places his or her wager based upon the odds and probable prices as determined at the time the wager is placed. However, the odds change as money wagered on the event is added to the wagering pool and wagers are placed on the various potential outcomes. All winning game participants, however, receive the same final odds, regardless of the status of the odds when their wager is placed. Thus, there is a fair amount of uncertainty for the game participants when they place their wagers concerning the final prices. Consequently, there is an incentive for game participants to wait

until near the end of the period in which wagers on the event are being accepted as the odds are less likely to significantly change the closer the wager is placed to the post time. This dynamic may result in a reduction in wagering revenue in the early stages of the period in which wagers are accepted for a pari-mutuel event, and a reduction near post time as potential game participants wagering at the ~~last~~ last minute are precluded from placing wagers because the pool is locked.

Please replace paragraph number [0032] with the following rewritten paragraph:

[0032] There are three possibilities for each wager placed on a particular event. First, the outcome on which the wager is placed may not be a winning outcome. In this instance, the game participant simply loses his or her original wager. Second, the outcome on which the wager is placed may be a winning outcome and there may be sufficient funds in the available pari-mutuel wagering pool to payout the game participant who placed the wager, according to the odds at which the wager was placed. Neither of these first two possibilities requires any further explanation.

Please replace paragraph number [0036] with the following rewritten paragraph:

[0036] With initial reference to FIG. 1, a flow diagram showing a method of playing a fixed odds pari-mutuel wagering game in accordance with the present invention is schematically illustrated. As shown at reference numeral 10, each game participant desiring to place one or more wagers on a particular outcome of the horse race may initially handicap the contenders in the event. For instance, a game participant may examine historical information regarding each horse running the race and form a judgment regarding what he or she believes the outcome of the race will be. Once a game participant is satisfied with his or her judgment of the contenders and has decided what he or she believes a winning outcome of the race will be, he or she may place a wager on that outcome and specify the odds at which he or she will accept the wager. This is shown at reference numeral 12.

Please replace paragraph number [0039] with the following rewritten paragraph:

[0039] Referring to FIG. 2, a hypothetical profile of an amount which may be wagered on each horse in the exemplary horse race is shown. As can be seen, a total of \$51,618.00 was wagered on the horse race in this example. While the race track has no stake in the outcome of the race, typically, as with conventional pari-mutuel wagering, it will retain a takeout or percentage of each dollar wagered for administrative purposes and for hosting and/or sponsoring the event. In this example, the takeout is 20% or \$10,323.60. Accordingly, the total available pari-mutuel wagering ~~pool~~, pool subsequent to ~~takeout~~, takeout is \$41,294.40.

Please replace paragraph number [0048] with the following rewritten paragraph:

[0048] For instance, in the illustrated example, a total of \$1,922.40 was wagered on horse number 1 at 3 to 1 odds and a total of \$3,844.80 was wagered on horse number 1 at 4 to 1 odds (see FIG. 4). If horse number 1 wins, \$5,767.20 will be necessary to pay odds to all game participants that wagered on horse number 1 at 3 to 1 odds (\$1,922.40 multiplied by 3) and ~~\$15,379.20~~ \$15,379.20 will be necessary to pay odds to all game participants that wagered on horse number 1 at 4 to 1 odds (\$3,844.80 multiplied by 4). However, as the payout for game participants in the method of the present invention begins with those game participants who accepted the lowest odds for their original wager, those wagering on horse number 1 at 4 to 1 odds will not be paid until those wagering on horse number 1 at 3 to 1 odds are paid. Thus, to pay all game participants who wagered on horse number 1 at 4 to 1 odds, a total of \$21,146.40 will be necessary (\$5,767.20 plus \$15,379.20). It is these cumulative amounts that are shown in FIG. 5.

Please replace paragraph number [0061] with the following rewritten paragraph:

[0061] It will be understood and appreciated by those of ordinary skill in the ~~art~~, art that the present invention is not limited by the out of money options discussed herein as a variety of ways in which to address the out of money situation may be envisaged. For instance, instead of distributing the surplus to at least a portion of the winning game participants as in each of the

above examples, the gaming establishment may retain the surplus and move the funds to a special pool for subsequent jackpots or parlay the funds into a subsequent wager. All such variations are contemplated to be within the scope hereof.

Please replace paragraph number [0066] with the following rewritten paragraph:

**[0066]** In addition, the fixed odds pari-mutuel wagering method of the present invention effectively removes the objection of those game participants that sit out of an event and forego wagering due to unfavorable odds. Odds are unfavorable when the risk of the wager is not sufficiently compensated for by the expected payout. Permitting game participants to specify their own propositions effectively eliminates these types of objections ~~that~~ and increases both handle and customer satisfaction.

Please replace paragraph number [0071] with the following rewritten paragraph:

**[0071]** A first exemplary method for setting initial share price involves a gradual transition from the morning line. As with conventional pari-mutuel wagering, a morning line is established, typically by a knowledgeable employee of the gaming establishment (*e.g.*, the race track) taking into account past performances of the contenders, ratings, speed-figures figures, and the like. The morning line is effectively an estimate of what the gaming establishment believes the probable odds will be at post time. Based upon these odds, initial share price may be set. A total value for the wagering pool may also be estimated and a conversion percentage set. For instance, it may be estimated that \$100,000 will be wagered on the event and a conversion percentage of 10% may be set. The conversion percentage is largely arbitrarily set and represents the point at which a transition from the morning line to the actual share prices calculated using the funds distribution in the wagering pool will be complete. In this example, once \$10,000 has been wagered on the event, the share prices will be actual calculated share prices.

Please replace paragraph number [0076] with the following rewritten paragraph:

[0076] In a third exemplary method, the initial share price may be set based upon the composition of an existing pari-mutuel pool for the event. For instance, conventional pari-mutuel wagering may be conducted for a ~~pre~~-preset period of time, *e.g.*, twenty minutes, prior to the commencing ~~the~~ of the share purchasing period. The initial share price may then be based, either completely or partially, on the composition of the conventional pari-mutuel wagering pool. As with the previous exemplary method, once the share purchasing period has commenced and shares are purchased in favor of the potential outcomes of the event, the composition of the share wagering pool may be used to set actual share prices.

Please replace paragraph number [0083] with the following rewritten paragraph:

[0083] Although the foregoing description contains many specifics, these should not be construed as limiting the scope of the present invention, but merely as providing illustrations of some exemplary embodiments. Similarly, other embodiments of the invention may be devised which do not depart from the spirit or scope of the present invention. Features from different embodiments may be employed in combination. The scope of the invention is, therefore, indicated and limited only by the appended claims and their legal equivalents, rather than by the foregoing description. All additions, ~~deletion~~ deletions and modifications to the invention, as disclosed herein, which fall within the meaning and scope of the claims are to be embraced thereby.